

STATE OF ILLINOIS



**ILLINOIS COMMERCE COMMISSION**

May 29, 2008

Via CERTIFIED U.S. MAIL

Russ M. Strobel  
President  
Northern Illinois Gas Company  
d/b/a Nicor Gas Company  
P.O. Box 190  
Aurora, Illinois 60507-0190

ILLINOIS  
COMMERCE COMMISSION  
2008 MAY 30 A 10:42  
CHIEF CLERK'S OFFICE

Re: Northern Illinois Gas Company d/b/a Nicor Gas Company Filing on April 29, 2008  
for Proposed General Increase in Rates for Gas Service

Dear Mr. Strobel:

A preliminary review of the petition for a general rate increase filed by Northern Illinois Gas Company d/b/a Nicor Gas Company ("the Company") on April 29, 2008 has been completed. The Company is deficient with respect to 83 Ill. Adm. Code 285 and must provide the following information according to the referenced Part 285 requirement.

Pursuant to 83 Ill. Adm. Code 285, the Company shall provide a verified response to this letter with the information and clarifications described below.

The verified response shall be filed with the Office of the Chief Clerk of the Commission within 28 days from receipt of this letter. Six copies shall also be provided by that date; with two sent to us in Chicago, and one each to Ms. Mary Selvaggio, Ms. Bonnie Pierce, Mr. Gene Beyer, and Mr. Steve Hickey, all members of the Staff of the Commission in Springfield.

**Section 285.3075 Schedule C-8: Demonstration and Selling, Advertising, and Miscellaneous Sales Expenses**

- c) **Work papers for electric and gas utilities shall support the amount provided for in accordance with the requirements of 83 Ill. Adm. Code 295.40.**

The Company did not include copies of all advertisements and scripts included in the test year operating expense, listing the production costs for each ad, the publication schedule

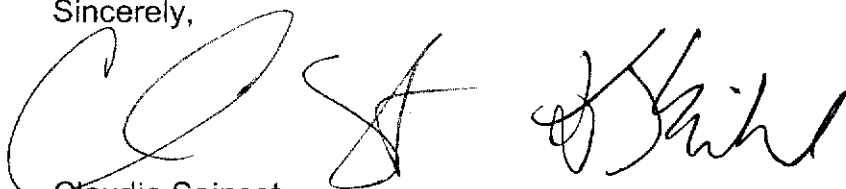
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and costs for each ad; or copies of all advertisements included in the test year operating expense purchased on a cooperative basis with manufacturers, developers or others and the company's cost for each ad as required by 83 Ill. Adm. Code Section 295.40 Materials to be Made Available.

The Company reported \$1,296,765 of Demonstrating & Selling Expense and \$8,000 of Advertising Expense on Schedule C-8. The Company also reported General Advertising Expenses of \$54,000 on Schedule C-4.

The Company should provide copies of all advertisements and scripts included in the **test year operating expense as required by 83 Ill. Adm. Code Section 285.3075 Schedule C-8: Demonstration and Selling, Advertising, and Miscellaneous Sales Expenses.**

Sincerely,

Handwritten signatures of Claudia Sainsot and D. Ethan Kimbrel.

Claudia Sainsot  
D. Ethan Kimbrel  
Administrative Law Judges  
Illinois Commerce Commission

CC: Tim Anderson - ICC Executive Director  
Mike Wallace - ICC Chief Administrative Law Judge  
Gene Beyer, Bureau Chief - ICC Bureau of Public Utilities  
Mary Selvaggio, Manager - ICC Accounting Department  
Bonnie Pierce - ICC Staff Case Manager  
Steve Hickey - ICC Administrative Law Judges Division  
Elizabeth Rolando - ICC Chief Clerk  
John Rooney - Sonnenschein, Nath & Rosenthal, LLP